

Estimated Hearing Date: March, 2020 at 9:30 a.m. or an earlier date ordered by the Court (Atlantic Standard Time)
Objection Deadline: January 2, 2020 at 4:00 p.m. (Atlantic Standard Time)

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**SUMMARY OF FIRST INTERIM APPLICATION OF NIXON PEABODY LLP FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO THE FINANCIAL
OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, AS
REPRESENTATIVE OF THE PUERTO RICO ELECTRIC POWER AUTHORITY, FOR
THE PERIOD FROM FEBRUARY 1, 2019 THROUGH MAY 31, 2019**

Name of Applicant:	Nixon Peabody LLP
Authorized to Provide Professional Services to:	The Financial Oversight and Management Board for Puerto Rico, as Representative of the Puerto Rico Electric Power Authority, pursuant to Section 315(b) of PROMESA
Period for which compensation and reimbursement are sought:	February 1, 2019 through May 31, 2019
Amount of Compensation sought as actual, reasonable, and necessary:	\$371,931.00

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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Amount of Expense Reimbursement sought as \$0
actual, reasonable, and necessary:

Total compensation subject to objection: None

Total expenses subject to objection: None

This is a(n): monthly X interim final application

- Blended Rate in this application for attorneys: \$878/hr
- Blended Rate in this application for all timekeepers: \$776/hr

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Schedule 1
First Interim Compensation Period – Consolidated Fee Statements
February 1, 2019 – May 31, 2019

Entity	Period	Fees requested to be paid (100%)	Fee previously requested to be paid (90%)	Expenses requested to be paid (100%)	Total Fees and Expenses requested to be paid
PREPA	February 1, 2019 through May 31, 2019	\$371,931.00	\$334,737.90	N/A	\$371,931.00

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Schedule 2
Summary of Professional Services Rendered by Timekeeper for the Period
February 1, 2019 – May 31, 2019

Professional	Position>Title	Hourly Billing Rate	Total Billed Hours	Total Compensation
Mitchell Rapaport	Partner	\$990	151.1	\$149,589
Virginia Wong	Partner	\$990	75.6	\$74,844
Bruce Serchuk	Partner	\$990	9.3	\$9,207
Roddy Devlin	Partner	\$990	0.4	\$396
Elizabeth W. Whittle	Partner	\$990	6.4	\$6,336
Angelica Valencia	Partner	\$990	24.9	\$24,651
Carla Young	Partner	\$990	16.8	\$16,632
Elizabeth Columbo	Partner	\$990	6.1	\$6,039
Forest D. Milder	Partner	\$990	2.6	\$2,574
Christopher Reitzel	Partner	\$990	30.7	\$30,393
Adam Gordon	Associate	\$600	12.2	\$7,320
Kristina Ng	Associate	\$600	46.1	\$27,660
Noah Lebowitz	Associate	\$600	9.3	\$5,580
Joel Swearingen	Associate	\$600	15.3	\$9,180
Carolyn Yi-Medina	Paralegal	\$360	1.1	\$396
Tamie Tobe	Research Librarian	\$270	1.2	\$324
Beverly Miller	Research Librarian	\$270	3	\$810

UNITED STATES DISTRICT COURT
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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**FIRST INTERIM APPLICATION OF NIXON PEABODY LLP FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF
EXPENSES AS SPECIAL COUNSEL TO THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, AS REPRESENTATIVE OF THE
PUERTO RICO ELECTRIC POWER AUTHORITY, FOR THE PERIOD FROM
FEBRUARY 1, 2019 THROUGH MAY 31, 2019**

Nixon Peabody LLP (“Nixon”), as special counsel to the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Electric Power Authority (“PREPA”) and certain other public corporations and instrumentalities of the Government of Puerto Rico (collectively, the “Debtors”), pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”) 48 U.S.C. §§ 2101-2241, hereby

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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submits this first interim application (the “Application”), pursuant to Sections 316 and 317 of PROMESA, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”),² Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* issued by the Executive Office for the United States Trustee, 28 CFR Part 58, Appendix B (the “Guidelines”), and in accordance with this Court’s *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (Dkt. No. 3269) (the “Interim Compensation Order”), for allowance of interim compensation for professional services performed by Nixon for the period commencing February 1, 2019 through and including May 31, 2019 (the “Compensation Period”) in the amount of \$371,931.00. In support of the Application, Nixon respectfully states as follows:

JURISDICTION

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction pursuant to Section 306(a) of PROMESA.
2. Venue is proper in this district pursuant to Section 307(a) of PROMESA.
3. Nixon submits the Application pursuant to Sections 316 and 317 of PROMESA.

BACKGROUND

4. On June 30, 2016, the Oversight Board was established under Section 101(b) of PROMESA.
5. On August 31, 2016, President Barack Obama appointed the Oversight Board’s seven voting members.

² The Bankruptcy Rules are made applicable to the Debtor’s Title III case pursuant to Section 301 of PROMESA.

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6. Pursuant to Section 315 of PROMESA, “[t]he Oversight Board in a case under this subchapter is the representative of the debtor” and “may take any action necessary on behalf of the debtor to prosecute the case of the debtor, including filing a petition under section [304] of [PROMESA] . . . or otherwise generally submitting filings in relation to the case with the court.” 48 U.S.C. § 2175.

7. On September 30, 2016, the Oversight Board designated the Debtors as “covered entities” under Section 101(d) of PROMESA.

8. On May 3, 2017, the Commonwealth, by and through the Oversight Board, as the Commonwealth’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

9. On May 5, 2017, the Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Oversight Board, as COFINA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

10. On May 21, 2017, the Puerto Rico Highways and Transportation Authority (“HTA”), by and through the Oversight Board, as HTA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

11. On May 21, 2017, the Employees Retirement System for the Commonwealth of Puerto Rico (“ERS”), by and through the Oversight Board, as ERS’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

12. On July 3, 2017, PREPA, by and through the Oversight Board, as PREPA’s representative pursuant to Section 315(b) of PROMESA, filed a petition with the Court under Title III of PROMESA.

13. Through Orders of this Court, the Commonwealth, COFINA, HTA, ERS, and

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PREPA Title III Cases (together, the “Title III Cases”) are jointly administered for procedural purposes only, pursuant to Section 304(g) of PROMESA and Bankruptcy Rule 1015 [ECF Nos. 242, 537, 1417].

14. On October 6, 2017, the Court entered the *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(a) Appointing a Fee Examiner and Related Relief* [ECF No. 1416], which appointed Brady Williamson of Godfrey & Kahn, S.C. to serve as Fee Examiner in the Title III Cases.

15. On August 9, 2019, Nixon served on the Notice Parties its monthly fee statement for the month of February 2019.

16. On August 16, 2019, Nixon served on the Notice Parties its monthly fee statement for the month of March 2019.

17. On September 6, 2019, Nixon served on the Notice Parties its monthly fee statement for the month of April 2019.

18. On September 30, 2019, Nixon served on the Notice Parties its monthly fee statement for the month of May 2019.

19. On October 28, 2019, Nixon provided the corresponding Monthly Fee Objection Statements for the February, March and April monthly fee statements to representatives of the Puerto Rico Treasury Department (the “Treasury”) and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”).

20. Finally, on November 4, 2019, Nixon provided the corresponding Monthly Fee Objection Statement for the May monthly fee statement to representatives of the Treasury and AAFAF.

COMPENSATION REQUESTED

21. On February 7, 2019, Nixon executed an Independent Contractor Services

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Agreement with the Oversight Board to provide advice in connection with PREPA's restructuring, and specifically, the tax structuring options (the "FY19 Agreement"). The FY19 Agreement was set to expire on June 30, 2019.

22. On July 1, 2019, Nixon executed an Independent Contractor Services Agreement with the Oversight Board to provide advice in connection with PREPA's restructuring, and specifically, the tax structuring options (the "FY20 Agreement", and together with the FY19 Agreement, the "Agreements"). The FY20 Agreement is set to expire on June 30, 2020.

23. In accordance with the Interim Compensation Order, Nixon has provided copies of the Agreements to the Treasury and AAFAF.

24. Nixon's hourly rates are set at a level designed to compensate Nixon fairly for the work of its attorneys and professionals and are disclosed in the Agreements.

25. Pursuant to a Restructuring Support Agreement ("RSA"), the Oversight Board, as PREPA's representative in the Title III Cases, and AAFAF, as PREPA's Fiscal Agent under Puerto Rico law, negotiated a settlement with holders of the vast majority of PREPA's uninsured secured debt and with its bond insurers.

26. The settlement achieves three key objectives: (i) it caps the amount electricity prices can be raised to pay debt; (ii) it transforms the existing debt into new debt having no receiver remedy, no rate covenant, and no payment default remedies for underpayment of required debt service as long as the revenues from a transition charge are paid to the bondholders – thus shifting to creditors the demand-risk formerly borne by PREPA and its customers; and (iii) it discounts the original debt to save PREPA between \$2 billion and \$3 billion in cash flow.

27. The RSA is a comprehensive and complicated settlement agreement that addresses the economic issues facing its parties and allows all potential private investors/operators engaged

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in the process to “transform” PREPA to know exactly what portion of revenues will be devoted to old debt, while eliminating the risk and downside of price hikes resulting from defaults.

28. Nixon is a nationally recognized bond counsel firm with more than 30 years of experience in all areas of public finance. Its Public Finance practice is one of the largest in the nation with more than 40 public finance and tax attorneys. The firm consistently ranks among the top bond counsel, underwriters’ counsel, and disclosure counsel firms in the nation.

29. Nixon has advised, and will continue to advise, the Oversight Board on optimal tax structures for PREPA’s restructuring and transformation pursuant to the RSA. In this capacity, Nixon has been engaged to provide tax-exempt bond law analysis, render tax opinions and prepare tax-related documentation and disclosure, among other things.

30. Pursuant to the Interim Compensation Order, Nixon hereby seeks an allowance of \$371,931.00 as compensation for professional services rendered during the Compensation Period in connection with such professional services.

31. Nixon’s itemized time records for attorneys and professionals performing services for the Oversight Board during the Compensation Period is attached hereto as Exhibit A.

32. During the Compensation Period, Nixon billed the Oversight Board for time expended by its attorneys and professionals based on Nixon’s hourly rate for each attorney and professional as detailed in Schedule 2 of the summary of this Application.

33. The fees charged by Nixon are in accordance with the firm’s existing billing rates and procedures in effect during the Compensation Period and are appropriate for complex securities and tax advantage financing matters. The rates and rate structure reflect that such complex matters typically involve great complexity, high stakes, and intense time pressures. Nixon submits that the compensation requested is reasonable in light of the nature, extent, and value of

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such services provided to the Oversight Board.

34. The services for which Nixon is requesting approval of the Court were performed for the Oversight Board as representative of PREPA. In connection with the matter covered by this Application, Nixon received no payment and no promises of payment for services rendered, or to be rendered, from any source other than the Debtors. There is no agreement or understanding between Nixon and any other person, other than members of the firm, for the sharing of compensation received for services rendered under the Agreements.

35. Sections 316 and 317 of PROMESA provide for interim compensation of professionals and govern the Court's award of such compensation. 48 U.S.C. §§ 2176-2177. Section 316 of PROMESA provides that a court may award a professional person employed by the Debtors or the Oversight Board under PROMESA "(1) reasonable compensation for actual, necessary services rendered by the professional person, or attorney and by any paraprofessional person employed by any such person; and (2) reimbursement for actual, necessary expenses." 48 U.S.C. § 2176(a).

36. Section 316 of PROMESA also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded ... the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (1) the time spent on such services;
- (2) the rates charged for such services;
- (3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;
- (4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature

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of the problem, issue, or task addressed;

(5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this subchapter or title 11.

48 U.S.C. § 2176(c).

37. As noted above, the professional services object of this Application were necessary and beneficial to the Oversight Board as representative of PREPA.

ATTORNEY CERTIFICATION

38. In accordance with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4), the undersigned has reviewed the requirements of Puerto Rico Local Bankruptcy Rule 2016-1(a)(4) and certifies to the best of his information, knowledge, and belief that this Application complies with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4). In this regard, and incorporated herein by reference, the Certification of Mitchell Rapaport in accordance with the U.S. Trustee Guidelines is attached hereto as **Exhibit B**.

RESERVATION OF RIGHTS

39. Nixon reserves the right to request compensation for services and reimbursement of such expenses in a future application that have not been processed in relation to the Compensation Period object of this Application.

NOTICE

40. Pursuant to the Interim Compensation Order, notice of this Application has been filed in the Title III Cases and served upon:

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(a) the Financial Oversight and Management Board:

Financial Oversight and Management Board
40 Washington Square South, Office 314A
New York, NY 10012
Attn: Professor Arthur J. Gonzalez, Oversight Board Member

(b) attorneys for the Oversight Board:

Proskauer Rose LLP
Eleven Times Square
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Ehud Barak, Esq. (ebarak@proskauer.com)

and

Proskauer Rose LLP
70 West Madison Street
Chicago, IL 60602
Attn: Paul V. Possinger, Esq. (ppossinger@proskauer.com)

(c) attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority:

O'Melveny & Myers LLP
Times Square Tower
7 Times Square, New York, NY 10036
Attn: John J. Rapisardi, Esq. (jrapisardi@omm.com)
Suzanne Uhland, Esq. (suhland@omm.com)
Diana M. Perez, Esq. (dperez@omm.com)

(d) attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority:

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San Juan, PR 00917
Attn: Luis C. Marini-Biaggi, Esq. (lmarini@mpmlawpr.com)
Carolina Velaz-Rivero Esq. (cvelaz@mpmlawpr.com)

(e) the Office of the United States Trustee for the District of Puerto Rico, Edificio Ochoa:

Office of the United States Trustee for the District of Puerto Rico,
Edificio Ochoa
500 Tanca Street, Suite 301
San Juan, PR 00901
(re: *In re: Commonwealth of Puerto Rico*)

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(f) attorneys for the Official Committee of Unsecured Creditors:

Paul Hastings LLP
200 Park Ave.
New York, NY 10166
Attn: Luc. A Despins, Esq. (lucdespins@paulhastings.com)

(g) attorneys for the Official Committee of Unsecured Creditors:

Casillas, Santiago & Torres LLC
El Caribe Office Building
53 Palmeras Street, Ste. 1601
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Attn: Juan J. Casillas Ayala, Esq. (jcasillas@cstlawpr.com)
Alberto J.E. Añeses Negrón, Esq. (aaneses@cstlawpr.com)

(h) attorneys for the Official Committee of Retired Employees:

Jenner & Block LLP
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Attn: Robert Gordon, Esq. (rgordon@jenner.com)
Richard Levin, Esq. (rlevin@jenner.com)

and

Jenner & Block LLP
353 N. Clark Street
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(i) attorneys for the Official Committee of Retired Employees:

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Edificio Union Plaza, PH-A
416 Ave. Ponce de León
Hato Rey, PR 00918
Attn: A.J. Bennazar-Zequeira, Esq. (ajb@bennazar.org)

(j) the Puerto Rico Department of Treasury:

Puerto Rico Department of Treasury
PO Box 9024140
San Juan, PR 00902-4140
Attn: Reylam Guerra Goderich, Deputy Assistant of Central Accounting
(Reylam.Guerra@hacienda.pr.gov)
Omar E. Rodríguez Pérez, CPA, Assistant Secretary of Central
Accounting (Rodriguez.Omar@hacienda.pr.gov)
Angel L. Pantoja Rodríguez, Deputy Assistant Secretary of Internal
Revenue and Tax Policy (angel.pantoja@hacienda.pr.gov)
Francisco Parés Alicea, Secretary of the Puerto Rico Treasury
Department (francisco.pares@hacienda.pr.gov)

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Francisco Peña Montañez, CPA, Assistant Secretary of the Treasury
(Francisco.Pena@hacienda.pr.gov)

(k) attorneys for the Fee Examiner:

EDGE Legal Strategies, PSC
252 Ponce de León Avenue
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Attn: Eyck O. Lugo (elugo@edgelegalpr.com)

(l) attorneys for the Fee Examiner:

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Attn: Katherine Stadler (KStadler@gklaw.com)

(m) attorneys for AAFAF in the PREPA Title III proceeding:

Greenberg Taurig LLP
200 Park Avenue
New York, NY 10166
Attn: Nathan A. Haynes, Esq., haynesn@gtlaw.com

(n) attorneys for the U.S. Bank National Association:

Maslon LLP
90 South Seventh Street, Suite 3300
Minneapolis, MN 55402
Attn: Clark T. Whitmore, Esq. (clark.whitmore@maslon.com)
William Z. Pentelovitch, Esq., (bill.pentelovitch@maslon.com)
John T. Duffey, Esq. (john.duffey@maslon.com)
Jason M. Reed, Esq. (jason.reed@maslon.com)

(o) attorneys for the U.S. Bank National Association:

Rivera, Tulla and Ferrer, LLC
50 Quisqueya Street
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Attn: Eric A. Tulla, Esq. (etulla@riveratulla.com)
Iris J. Cabrera-Gómez, Esq. (icabrera@riveratulla.com).

WHEREFORE, Nixon respectfully requests that the Court enter an order (a) allowing interim compensation for professional services rendered during the Compensation Period in the amount of \$371,931.00 (including the 10% professional compensation holdback amount); (b) directing the Commonwealth to pay promptly to Nixon the difference between (i) the amount of interim compensation for professional services rendered, and reimbursement of expenses incurred

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during the Compensation Period allowed hereunder, and (ii) the amounts for such compensation and expenses previously paid to Nixon, consistent with the provisions of the Interim Compensation Order; (c) allowing such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred without prejudice to Nixon's right to seek additional compensation for services performed and expenses incurred during the Compensation Period, which were not processed at the time of this Application; and (d) granting Nixon such other and further relief as is just and proper.

Dated: December 11, 2019
New York, New York

Respectfully submitted,

/s/ Sebastian M. Torres Rodríguez
USDC No. 301211
Nixon Peabody LLP
Tower 46
55 West 46th Street
New York, NY 10036-4120
Telephone: (212) 940-3072
Facsimile: (833) 936-0842

Exhibit A

ITEMIZED TIME RECORDS



FEDERAL I.D. NO. 16-0764720

NIXON PEABODY
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

Tower 46
55 West 46th Street
New York, NY 10036
TEL: (212) 940-3000
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Natalie A. Jaresko
Financial Oversight and Management Board for Puerto Rico
22 Munoz Rivera Ave
Suite 800
San Juan 00918-1813
Puerto Rico

July 29, 2019
Invoice No. 10106711
Account: 085001
Terms: Due Upon Receipt

FOR PROFESSIONAL SERVICES RENDERED through February 28, 2019, including:

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
02/02/19	M. Rapaport	0.40	Telephone call with D. Brownstein regarding PREPA.
02/03/19	M. Rapaport	0.60	Analyze background PREPA issues regarding management contract.
02/04/19	M. Rapaport	1.80	Conference call with V. Wong and R. Devlin regarding PREPA. (.4) Telephone calls with D. Brownstein regarding PREPA. (1.1) Telephone call with V. Wong and D. Brownstein. (.3)
02/04/19	V. Wong	0.70	Phone call with M. Rapaport and R. Devlin. (.4) Phone call with M. Rapaport and D. Brownstein. (.3)
02/04/19	R. Devlin	0.40	Conference call with V. Wong and M. Rapaport.
02/05/19	M. Rapaport	2.10	Analyze PREPA term sheet.
02/06/19	M. Rapaport	1.80	Conference call with D. Brownstein and D. Cohen (Citi) regarding PREPA term sheet. (.4) Analyze term sheet. (1.1) Telephone call with D. Brownstein. (.3)
02/06/19	V. Wong	0.30	Analyze T & D Term Sheet.
02/07/19	M. Rapaport	3.80	Draft memorandum regarding PREPA management contract compliance.
02/07/19	V. Wong	0.60	Call with D. Brownstein on PREPA matters. (.2) Review draft of tax memo. (.4)
02/11/19	M. Rapaport	2.10	Prepare for meeting regarding PREPA. (1.2) Attend meeting with Citi, Ankura, Oversight Board and AAFAF.(.9)
02/11/19	V. Wong	0.90	Attend meeting with FOMB, Citi, AAFAF and Ankura on PREPA matters.

Nixon Peabody LLP
Invoice # 10106711 Page 2

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
02/12/19	M. Rapaport	2.60	Analyze and review PREPA documents for IRS compliance. (1.4) Analyze rulings on related parties for impact on tax compliance. (1.2)
02/15/19	M. Rapaport	1.40	Further analysis of IRS rulings regarding related parties for tax compliance.
02/21/19	M. Rapaport	1.10	Telephone call with D. Brownstein. (.4) Review LIPA IRS documents. (.7)
02/22/19	M. Rapaport	1.80	Analyze LIPA private letter ruling and background materials.
02/25/19	B. Serchuk	1.10	Telephone call with M. Rapaport regarding management contract issues. (.6) E-mail regarding management contract issues. (.5)
02/25/19	M. Rapaport	3.60	Revised PREPA memorandum. (1.3) Conference call with D. Brownstein. (.3) Telephone call with B. Serchuk regarding management contract rules. (.6) Analyze PREPA legislation. (1.1) E-mails to B. Serchuk. (.3)
02/25/19	V. Wong	0.80	Review PREPA Act.
02/25/19	K. Ng	0.20	Review M. Rapaport e-mails regarding review of statutes.
02/26/19	B. Serchuk	0.90	E-mail with M. Rapaport regarding PREPA contract. (.3) Analyze memo regarding same. (.6)
02/26/19	M. Rapaport	2.90	E-mail to B. Serchuk. (.3) Analyze legislation related to PREPA. (1.2) Revised PREPA memorandum. (1.4)
02/26/19	K. Ng	5.70	Review M. Rapaport e-mails regarding review of statutes. (.3) Draft e-mails to M. Rapaport. (.5) Review Puerto Rico Energy Transformation and Relief Act, 22 L.P.R.A. § 1051, (3) draft summary of Act, proofread and review. (1.9)
02/27/19	B. Serchuk	1.30	E-mails with M. Rapaport regarding partnership issue. (.4) Review rules regarding same. (.9)
02/27/19	M. Rapaport	2.70	Review and analyze issues related to PREPA restructuring. (1.7) Telephone call with D. Brownstein. (.4) E-mails with B. Serchuk regarding structure of PREB. (.4) E-mail with V. Wong regarding USDA. (.2)
02/27/19	V. Wong	0.70	Review USDA official statement and financing orders. (.5) Correspond with M. Rapaport regarding the same. (.2)
02/27/19	K. Ng	4.10	Review Act 20. (2.4) Draft summary of Act 20. (1.1) Proofread and review summary memo. (.6)
02/28/19	M. Rapaport	1.80	Conference call with D. Brownstein on PREPA issues. (.7) Review PREPA legislation. (1.1)
02/28/19	K. Ng	1.20	Review Act 20. (.5) Revise draft memo. (.7)

TOTAL HOURS: 49.40

TOTAL FEES: \$44,538.00

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
03/01/19	B. Serchuk	1.20	Review and revise T&D management agreement memo.
03/01/19	M. Rapaport	1.50	Revise PREPA tax memorandum. (1.0) E-mails regarding securitization tax issues. (.5)
03/01/19	K. Ng	2.70	Review PREPA Act. (1.3) Draft summary, proofread and review. (1.4)
03/03/19	J. Swearingen	2.90	Research IRS filings regarding securitized fees to compensate for stranded costs.
03/03/19	M. Rapaport	1.00	Review IRS materials regarding PREPA securitization.
03/04/19	E. Whittle	1.10	Review PREPA/PREB legislation. (.8) E-mail with M. Rapaport regarding same. (.3)
03/04/19	J. Swearingen	1.10	Research regarding tax securitization rules. (.8) E-mail correspondence. (.3)
03/04/19	M. Rapaport	1.50	Revise PREPA tax memorandum. (1.0) Review rulings and other materials related to securitization. (.5)
03/04/19	V. Wong	0.40	Review revised PREPA memo.
03/04/19	K. Ng	0.30	Revise and proofread summary of PREPA Act.
03/05/19	E. Whittle	0.70	Complete review of Puerto Rico statute. (.5) E-mail information/analysis to M. Rapaport. (.2)
03/05/19	J. Swearingen	0.50	E-mail correspondence regarding tax securitization rules. (.3) Briefly review research. (.2)
03/05/19	M. Rapaport	3.50	Revise PREPA T&D memo. (.8) Review draft management contract term sheet. (1.0) Review utility securitization precedents. (.5) Conference call with Citi. (.5) Conference call with Citi and Kyle. (.4) E-mails regarding preb structure. (.3)
03/05/19	V. Wong	1.00	Review T&D draft memo. (.5) Call with Citi. (.5)
03/05/19	K. Ng	0.10	Meeting with V. Wong regarding assignments for transaction.
03/06/19	M. Rapaport	3.20	E-mails (.3) and conference calls with Citi and FOMB regarding PREPA partnership contract. (1.0) Reviewed PREPA term sheet. (1.9)
03/06/19	V. Wong	1.00	Conference calls with FOMB and Citi.
03/07/19	M. Rapaport	2.50	E-mails to B. Serchuk. (.3) Telephone call with D. Brownstein regarding remediation requirements for sale of generation. (.2) Review revised term sheet and comments to term sheet. (1.0) Revised PREPA memo. (1.0)
03/07/19	K. Ng	4.90	Review M. Rapaport e-mails regarding summarizing PREPA legislation. (.5) Review and draft summary. (4.4)
03/08/19	B. Serchuk	0.80	E-mails with M. Rapaport regarding QMA term. (.3) Review rules regarding same. (.5)

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
03/08/19	M. Rapaport	3.50	Reviewed revised term sheet. (1.5) Telephone calls with D. Cohen and D. Brownstein. (.5) Revised memorandum on PREPA term sheet. (1.5)
03/08/19	K. Ng	1.60	Review Senate Bill No. 1121. (.7) Draft Summary of Senate Bill No. 1121. (.9)
03/11/19	M. Rapaport	5.00	Conference call with partnership committee. (.7) Revised PREPA memo. (2.0) Research regarding QMA limitations. (2.0) Telephone call with V. Wong. (.3)
03/11/19	V. Wong	1.00	Conference call with partnership committee. (.7) Phone call with M. Rapaport. (.3)
03/11/19	K. Ng	5.40	Review Senate Bill No. 1121. (2.4) Draft Summary of Senate Bill No. 1121. (3.0)
03/12/19	C. Young	0.30	E-mails with M. Rapaport re PREPA (.3).
03/12/19	M. Rapaport	3.00	Conference call with Citi, Ankura, OMM, PREPA team on working capital and remediation issues. (.8) Research rules related to remediation issues. (1.7) Telephone call with Citi. (.5)
03/12/19	V. Wong	0.80	Call with Citi, Ankura and OMM on PREPA RSA.
03/12/19	K. Ng	4.50	Revise and proofread Summary of Senate Bill No. 1121.
03/13/19	B. Serchuk	0.40	E-mails with Nixon tax group regarding private payment issue.
03/13/19	C. Young	0.70	Review and analyze questions regarding PREPA restructuring (.5). E-mail to M. Rapaport re PREPA questions (.2).
03/13/19	M. Rapaport	3.00	Review PREPA RSA. (1.0) E-mails with Nixon team regarding private use limits. (.4) Review private use issues. (1.6)
03/13/19	K. Ng	1.30	Revise and proofread Summary of Senate Bill No. 1121.
03/14/19	K. Ng	2.50	Revise and proofread Summary of Senate Bill No. 1121. (2.2) Draft e-mail to M. Rapaport. (.3)
03/15/19	M. Rapaport	2.00	E-mail to K. Ng. (.1) Telephone call with D. Brownstein. (.4) Conference call with Oversight Board. (.5) Prepare for conference call. (1.0)
03/15/19	K. Ng	0.10	Review M. Rapaport e-mail regarding review of Puerto Rico - Senate Final Version of Energy Regulatory-Policy Bill, House Vote Pending.
03/18/19	E. Whittle	2.70	Review additional legislation and summaries. (1.4) Work on memo on comparison of PREB to traditional PUC. (1.0) Office conference with M. Rapaport. (.3)
03/18/19	M. Rapaport	1.00	Reviewed PREPA issues. (.7) Office conference and e-mails to E. Whittle regarding PREB. (.3)
03/19/19	E. Whittle	1.10	Begin draft memo to M. Rapaport on utility regulations.
03/20/19	B. Serchuk	0.40	Office conferences with M. Rapaport regarding private payment issue.
03/20/19	M. Rapaport	1.50	Office conference with B. Serchuk regarding private payments. (.4) Telephone call with D. Brownstein regarding PREPA generation. (.3) Review generation

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
			memorandum. (.4) Review private use issues in generation. (.4)
03/20/19	K. Ng	0.20	Draft e-mail to librarian requesting Spanish translation of compromise Senate Bill No. 1221. (.1) Meeting with librarian. (.1)
03/21/19	B. Serchuk	0.40	Office conference with M. Rapaport regarding management contract terms.
03/21/19	M. Rapaport	1.00	Telephone call with D. Cohen. (.4) Review private use issues. (.6)
03/21/19	K. Ng	1.20	Review blacklined statute, revise and proofread Summary of SB 1211. (.7) Revise and proofread Summary of Act 120. (.4) Draft e-mail to M. Rapaport and V. Wong. (.1)
03/22/19	M. Rapaport	1.50	Telephone call with Fernando. (.4) Reviewed T&D term sheet. (1.1)
03/25/19	J. Swearingen	1.70	E-mail correspondence regarding OID issues. (.4) Research OID issues (1.3)
03/25/19	M. Rapaport	3.50	Teleconference with V. Wong. (.2) Review asset study regarding useful lives. (2.1) Telephone calls with D. Brownstein and James regarding call provisions. (.5) E-mail to J. Swearingen regarding research on OID provisions. (.4) E-mails to Kyle. (.3)
03/25/19	V. Wong	0.20	Phone calls with M. Rapaport.
03/26/19	J. Swearingen	6.30	Research OID issues. (4.3) Draft 3 memo. (2.0)
03/26/19	C. Young	2.90	E-mails with M. Rapaport regarding Rev Proc 2005-62 (.4). Research rulings and cases applying Rev Proc 2005-62 and whether payments must be made on all bonds on a quarterly or semi-annual basis (1.2). Review edgar for prospectus that cite Rev Proc 2005-62 and related structure (1.0). Further e-mail to M. Rapaport (.3).
03/26/19	M. Rapaport	2.30	Review PREPA securitization issues. (1.5) Telephone calls with D. Brownstein and James C. (.3) E-mails to C. Young. (.5)
03/27/19	J. Swearingen	2.80	E-mail correspondence. (.4) Research regarding OID issues. (2.4)
03/27/19	C. Young	0.40	Research regarding audit guidelines for public utility securitizations.
03/27/19	M. Rapaport	1.50	Review PREPA issues. (1.1) E-mails to J. Swearingen. (.4)
03/27/19	V. Wong	1.20	Review draft RSA term sheet.
03/28/19	C. Young	1.00	Review and respond to e-mail from M. Rapaport regarding allocation question (.3). Research regulations regarding allocations (.4). Office meeting with M. Rapaport regarding regulations (.3)
03/28/19	M. Rapaport	2.40	Review term sheet (.7). Telephone call with V. Wong (.5). Telephone call with D. Brownstein (.4). Review issues regarding PREPA revenues (.5). Office conference with C. Young. (.3)

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<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
03/28/19	V. Wong	2.60	Review and revise RSA Term sheet (.6). Conference call with Citi, Proskauer and OMM to discuss comments to bond provisions (.5) correspond with D. Brownstein regarding structure (.7). Research PIK municipal transactions. (.8)
03/29/19	F. Milder	0.80	Correspondence with Rapaport about application of Section 704 rules to A and B bonds.
03/29/19	A. Valencia	1.30	Participate on call regarding term sheet (1.00). Review revised term sheet (.30).
03/29/19	C. Young	0.40	Review e-mails from M. Rapaport and F. Milder regarding partnership allocations.
03/29/19	V. Wong	1.60	Conference call with Proskauer, Citi, Cadwalader, OMM and Kramer Levin to review revised draft of the RSA term sheet (1.00). Phone call with D. Brownstein regarding the same (.1). Review revised term sheet (.3). Phone call with Kramer Levin (.2).

TOTAL HOURS: 110.90

TOTAL FEES: \$94,152.00

TOTAL FOR MATTER -- PREPA TAX ADVICE: \$94,152.00
TOTAL FOR STATEMENT: \$94,152.00

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
04/01/19	C. Young	0.40	E-mails with M. Rapaport and F. Milder (.5).
04/01/19	M. Rapaport	1.00	E-mails regarding allocations of equity in PREPA securitization.
04/02/19	F. Milder	0.50	Correspond with M. Rapaport and analysis of 704 questions with respect to Class B bond holders.
04/02/19	A. Valencia	1.10	Participate on call to discuss RSA and term sheet.
04/02/19	M. Rapaport	0.90	Telephone call with Maribel at O'Neil regarding procedure (.4). Review billing matters (.5).
04/03/19	B. Serchuk	0.50	Participate on conference call regarding private use and 704b allocations.
04/03/19	F. Milder	1.30	Correspond and conference with M. Rapaport about 704 treatment of B bondholders.
04/03/19	C. Young	1.50	E-mails with M. Rapaport and B. Serchuk regarding call with F. Milder on partnership allocation issues (.3). Conference call with M. Rapaport, B. Serchuk and F. Milder regarding partnership allocation issues (1.5).
04/03/19	M. Rapaport	1.50	Conference call with C. Young, B. Serchuk and F. Milder regarding PREPA securitization bonds and application of partnership tax rules.
04/03/19	V. Wong	1.40	Review UDSA model (.4). Prepare summary of events of default and remedies (1.00).
04/04/19	B. Serchuk	0.50	Tax call discussion of reissuance question.
04/04/19	C. Young	0.30	E-mails with M. Rapaport and B. Serchuk regarding shortening of measurement period (.3).
04/04/19	M. Rapaport	1.50	Review issues regarding PREPA securitization (.7). E-mails to B. Serchuk (.4). Telephone call with Lucas from Ankura regarding depreciation study (.4)
04/05/19	M. Rapaport	1.10	Telephone call with D. Brownstein regarding PREPA securitization (.4). E-mails to J. Castiglioni regarding PREPA (.3). Review bond documents regarding PREPA (.4).
04/08/19	M. Rapaport	0.50	Review PREPA asset life analysis.
04/08/19	V. Wong	0.80	Review draft RSA.
04/09/19	M. Rapaport	3.50	Review PREPA documents.
04/09/19	V. Wong	3.00	Review securitization term sheet (2.20). Prepare comments to same (.80).
04/10/19	C. Young	0.30	Review e-mail from M. Rapaport regarding open questions (.3).
04/10/19	M. Rapaport	4.10	Review PREPA RSA and related documents (3). E-mails to Proskauer regarding PREPA tax issues (.4). Telephone

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
			call with D. Brownstein regarding PREPA (.4). Telephone call with C. Young regarding PREPA (.3).
04/10/19	E. Columbo	1.50	Conference with V Wong; review of securitization term sheet.
04/10/19	V. Wong	5.20	Review and revise securitization term sheet (.6). Review Norton Rose comments (.8). Review draft RSA and provide comments on the same (1.50). Review custodial trust provisions and provide comments (.8). Phone calls with M Rapaport, D Brownstein and M. DiConza (.3). Office conference with E. Columbo and C. Reitzel (.7). Review National filing (.5).
04/11/19	B. Serchuk	0.30	E-mails with M. Rapaport and C. Young regarding forbearance reissuance question.
04/11/19	C. Young	1.00	Research reissuance question regarding PREPA restructuring (.4). E-mails with M. Rapaport and B. Serchuk regarding reissuance analysis in bankruptcy proceeding (.4). Review e-mail to Proskauer regarding reissuance analysis (.2).
04/11/19	M. Rapaport	1.40	Review reissuance issues (.5). Telephone call with D. Brownstein (.4). E-mails to C. Young and B. Serchuk regarding reissuance (.5).
04/12/19	C. Reitzel	1.50	Review securitization materials.
04/13/19	V. Wong	0.40	review revised custodial trust term sheet. (.30) Correspond with M. DiConza regarding the same. (.10)
04/13/19	C. Reitzel	2.30	Review securitization materials.
04/14/19	M. Rapaport	0.50	Review securitization documents.
04/15/19	M. Rapaport	2.00	Conference call with O'Melveny regarding securitization term sheet (.6). Conference call with all parties regarding securitization term sheet (1.4).
04/15/19	E. Columbo	1.80	Review revised securitization term sheet and securitization protections. (1.5) Participate in conference call with V. Wong and C. Reitzel to discuss comments and review of revised term sheets. (.30).
04/15/19	V. Wong	4.10	Review revised securitization term sheet and securitization protections (.90). Conference call with E. Columbo and C. Reitzel to review revised term sheets (.30). Conference call with creditors counsel and government advisors regarding term sheets (2.9).
04/15/19	V. Wong	0.60	Conference call with government advisors to discuss revised term sheets.
04/15/19	C. Reitzel	4.10	Review term sheet and securitization protections, conference with V. Wong and M. Rapaport, conference calls with various members of working group to discuss documents.
04/16/19	M. Rapaport	2.50	Conference call with PREPA working group (2.2) Telephone call with D. Brownstien (.3).
04/16/19	V. Wong	3.60	Review Kramer Levin comments to securitization term

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
04/16/19	C. Reitzel	1.20	sheet and protections. (.40) Conference call with C. Reitzel to discuss the same. (.10) Conference call with OMM, Norton Rose, Ankura, Citi and creditors counsel to review securitization term sheet, securitization protections and RSA. (3.10)
04/17/19	M. Rapaport	1.00	Review documents, conference with V. Wong, participate in conference calls.
04/17/19	E. Columbo	2.30	Conference call regarding PREPA trust structure (.5). Review securitization document (.5).
04/17/19	V. Wong	2.10	Review term sheet and comments received on term sheet and securitization protections worksheet (.5); review comments from C Reitzel (.3); review LIPA servicing agreement and indenture for comparable provisions (1.5).
04/17/19	N. Lebowitz	3.00	Call with OMM, CWT, D. Brownstein, M. Rapaport to discuss custodial trust appendix (1.00). Call with M. Rapaport (.30). Review revised securitization term sheet (.80).
04/18/19	M. Rapaport	1.00	Research IRS rulings regarding growth-linked bonds.
04/18/19	V. Wong	0.80	Review PREPA securitization documents.
04/18/19	N. Lebowitz	2.80	Review revised securitization term sheet.
04/18/19	B. Miller	3.00	Research IRS rulings regarding growth-linked bonds (2.2). Confer with library services (.3). Confer with M. Rapaport (.3).
04/18/19	C. Reitzel	2.90	Research regarding Internal Revenue Service Rules or other documents related to the potential issuance of growth-linked or GDP-linked bonds or securities or warrants by the United States Treasury for N. Lebowitz.
04/19/19	M. Rapaport	0.50	Review various revised drafts; comments, conference internally via e-mail.
04/19/19	N. Lebowitz	0.80	Review securitization term sheets.
04/21/19	C. Reitzel	1.10	Research GDP-linked bonds.
04/22/19	M. Rapaport	1.40	Review Kramer Levin comments, internal e-mails.
04/22/19	N. Lebowitz	1.40	Telephone call with D. Brownstein (.4). Review PREPA documents (1).
04/23/19	T. Tobe	0.70	Research GDP-linked bond transactions (.6). Confer with M. Rapaport (.1).
04/23/19	M. Rapaport	1.20	Research historic Puerto Rico laws and amendments per V. Wong.
04/23/19	V. Wong	1.00	Revised issues related to growth bonds.
04/23/19	N. Lebowitz	0.30	Review revised custodial trust exhibit.
04/24/19	M. Rapaport	2.00	Research GDP-linked bond transactions (1.9). Confer with M. Rapaport (.1).
		6.00	Prepared for meeting with D. Brownstein and J. Castelgoni regarding PREPA securitization bonds and growth bonds (1). Review materials related to growth bonds (1). Attended lunch meeting with D. Brownstein

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<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
04/25/19	M. Rapaport	0.90	and J. Castelgoni (2). Prepared notes related to PREPA bonds (1). Review PREPA term sheet (1).
04/26/19	M. Rapaport	0.30	Review PREPA useful life computations (.5). E-mails to D. Brownstein regarding securitization (.4).
04/29/19	M. Rapaport	1.60	Telephone call with D. Cohen.
04/29/19	V. Wong	0.70	Conference call with Citi and Cleary regarding QMA rules (1). E-mails to D. Cohen (.3). Telephone call with V. Wong (.3).
04/30/19	C. Young	0.60	Review 1974 Trust Agreement regarding ability to create new CUSIPs (.5). Correspond with D. Brownstein regarding the same (.2). Phone call with Proskauer to discuss the same (.2). Review RSA language on this point (.10). Phone call with M. Rapaport (.3).
04/30/19	M. Rapaport	3.20	Office meetings with M. Rapaport (.3). Review e-mails from M. Rapaport with supporting information relating to T&D (.3).
04/30/19	V. Wong	0.70	Review management contract issues (1). Conference call with Citi regarding management contract (1). E-mails of materials to C. Young (.5). Review Citi paper (.7).
TOTAL HOURS:		101.60	Conference call with Citi to discuss T&D transformation.

TOTAL FEES: \$93,933.00

FOR PROFESSIONAL SERVICES RENDERED through May 31, 2019, including:

MATTER NO.: 000002

PREPA TAX ADVICE

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Description of Services</u>
05/01/19	B. Serchuk	0.60	E-mails with M. Rapaport regarding management contract issue.
05/01/19	C. Young	0.40	Review and respond to e-mails about similar QMA for LIPA.
05/01/19	M. Rapaport	3.00	Review various issues related to PREPA QMA (1.8). Review trust document (.6). Review debt term sheet (.6).
05/02/19	E. Whittle	0.80	Review/comment on additional questions on PREB and PREPA and utility ratemaking (.30). Review statutes regarding same (.50).
05/02/19	C. Young	1.10	Review materials relating to restructuring and management contract (.6). Office meeting with M. Rapaport (.3). Review LIPA PLR (.2).
05/02/19	M. Rapaport	1.40	Review issues regarding PREB control of PREPA (1.1). Office conference with C. Young (.3).
05/02/19	V. Wong	1.00	Phone call with D. Cohen to discuss financing structures (.30). Review Goethals structure (.70).
05/03/19	C. Young	0.70	Conference call with M. Rapaport, V. Wong and C. Reitzel.
05/03/19	M. Rapaport	1.70	Conference call with Board (.5). Conference call with V. Wong, C. Young and C. Reitzel regarding PREPA management contract background (.7). Review contract issues (.5).
05/03/19	V. Wong	0.70	Phone call with C. Young, M. Rapaport and C. Reitzel to discuss PREPA management agreement structure.

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05/03/19	C. Reitzel	3.40	E-mails regarding various matters relating to potential issuances (.40). Review Definitive RSA (2.30). Management Contract Discussions (.70).
05/05/19	M. Rapaport	0.50	Review e-mails regarding contract and term sheet.
05/05/19	E. Columbo	0.50	Review materials from V Wong regarding filing of RSA.
05/05/19	C. Reitzel	3.90	Emails, regarding various matters relating to potential issuances, Definitive RSA and Management Contract review, contrast with LIPA.
05/06/19	B. Serchuk	0.40	Office conference with M. Rapaport regarding management contract issues.
05/06/19	C. Young	0.60	Conference call with Citi regarding structuring issues (.4). Office meeting with M. Rapaport (.2).
05/06/19	M. Rapaport	3.90	Review draft PREPA contract (1.5). Office conferences with B. Serchuk and C. Young regarding management contract issues (.7). E-mail to Kyle regarding PREB (.4). Telephone call with D. Brownstein (.3). Conference call with Citi regarding future financings (1).
05/06/19	V. Wong	2.90	Phone call with Citi to discuss PREPA financing options (1.0). Review Detroit model flow of funds (.5). Review T&D draft agreement (1.4).
05/06/19	C. Reitzel	3.20	E-mails regarding various matters relating to potential issuances and management contract discussion (.8). Review Definitive RSA (2.4).
05/07/19	C. Young	2.60	Review and comment on draft management contract (1.5). E-mails with M. Rapaport regarding comments to management contract (.4). Telephone call with M. Rapaport regarding comments to management contract (.2). Review dispute resolution provisions in LIPA contract and send summary e-mail to M. Rapaport (.5).
05/07/19	M. Rapaport	4.40	Review draft O&M contract (3.3). Review IRS ruling on asset life (.7). Telephone call with Jonathan at Ankura (.4).
05/07/19	C. Reitzel	3.10	E-mails regarding; various matters relating to potential issuances, Definitive RSA, Management Contract Discussions.
05/08/19	M. Rapaport	2.80	Review and commented on O&M agreement and RFP criteria.
05/08/19	V. Wong	3.20	Review T&D O&M Agreement and comments to the same.
05/08/19	C. Reitzel	1.20	Review documents and internal e-mails.
05/09/19	M. Rapaport	1.00	Various e-mails related to management contract draft.
05/09/19	V. Wong	1.30	Call with Kramer Levin regarding CUSIPs (.50). Phone call with M. DiConza regarding same (.40). Phone calls with D. Brownstein (.40).
05/10/19	M. Rapaport	1.10	Conference call with Cleary regarding O&M contract (.7). E-mails regarding contract (.4).
05/10/19	V. Wong	2.30	Review comments to T&D O&M agreement
05/12/19	M. Rapaport	1.30	Review Q&M contract.

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05/13/19	C. Young	0.30	Review and respond to e-mail regarding incentive compensation.
05/13/19	M. Rapaport	3.70	Review Q&M Agreement metrics memorandum and term sheet.
05/13/19	V. Wong	4.20	Conference call to discuss PREPA CUSIP issues (.50). Review and revise chart (1.50). Correspond with D. Brownstein and J. Castiglioni regarding chart for DTC (.60). Phone calls with R. Stephens from Globic and S. Segal from Kramer (1.00). Review draft notices (.60).
05/13/19	C. Reitzel	0.40	E-mails and conference internally.
05/14/19	B. Serchuk	0.50	E-mails regarding management contract issue (.10). Review Rev. Proc. regarding same (40).
05/14/19	C. Young	0.90	Review e-mails and tax comments to O&M contract (.6). E-mails with B. Serchuk and M. Rapaport regarding incentive compensation (.3).
05/14/19	M. Rapaport	2.70	Review management contract and prepared comments (1.5). E-mails regarding management contract (.7). Review issues regarding permitted contract life (.5).
05/14/19	V. Wong	0.80	Phone call with Kramer Levin to discuss DTC documentation (.20). Review revised draft of notice and procedures (.60).
05/14/19	C. Reitzel	2.10	Review e-mails (.3). Review O&M, term sheet, and comments (1.8).
05/15/19	C. Young	0.40	Review e-mails regarding role of Administrator.
05/15/19	M. Rapaport	4.80	Review useful life report for T&D System (1.5). Review Management Contract (3.3).
05/15/19	V. Wong	0.90	Phone calls with D. Brownstein. Review revised notices (.50). Review correspondence regarding notices (.20). Phone call with M. Rapaport (.20).
05/15/19	C. Reitzel	0.30	E-mails and conference internally.
05/16/19	M. Rapaport	2.20	E-mails regarding management contract (.5). Conference call with Oversight Board and Citi regarding changes to Management Contract (.5). Review Management Contract (1.2).
05/16/19	V. Wong	1.30	Call with Citi and FOMB on structure issues (.70). Review RSA amendment (.30). Review DTC notices (.30).
05/17/19	V. Wong	1.80	Correspond with R. Stevens and Citi regarding PREPA exchange (.30). Phone call with J. Castiglione (.30). Draft summary for DTC (.80). Review and revise cover summary for DTC (.40).
05/20/19	V. Wong	1.70	Phone call with D. Brownstein (.20). Phone call with R. Stevens (.20). Review RSA (1.30).
05/22/19	A. Valencia	0.40	Telephone conference with V. Wong (.10). Review bond form (.30).
05/22/19	M. Rapaport	0.80	Conference call with Lucas and others regarding useful life determinations.

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05/22/19	V. Wong	2.10	Phone calls with D. Brownstein and R. Stevens regarding PREPA bonds (.80). Phone call with A. Valencia (.30). Review bond forms (.70). Correspond with J. Castiglioni regarding PREPA bonds (.30).
05/23/19	C. Yi-Medina	1.10	Search for past PREPA transcript CDs for V. Wong, M. Rapaport, A. Valencia and K. Ng
05/23/19	A. Valencia	7.20	Communications with A. Gordon and K. Ng regarding preparation of bond forms (1.0). Review and revise bond forms (5.7). Calls with V. Wong regarding bond forms (.5).
05/23/19	V. Wong	6.30	Phone calls with R. Stevens (.80). Phone calls with D. Brownstein (.60). Phone calls with D. Pikulin from DTC (.70). Phone calls with A. Valencia. Phone call with K. Ng, A. Gordon and A. Valencia (.40). Review bond forms (2.20). Correspond with M. DiConza (.30). Phone call with J. Castiglioni (.30). Correspond with J. Castiglioni regarding CUSIPS (.30). Phone call with S. Segal (.40). Correspond with L. Bauer (.30).
05/23/19	K. Ng	3.10	Review V. Wong e-mail regarding bonds (.10). Discussion with A. Gordon regarding bond forms (.20). Telephone conference with A. Valencia, V. Wong and A. Gordon regarding bond forms (.20). Review bond series excel sheet (.10). Draft e-mail with call notes to A. Valencia, V. Wong and A. Gordon (.20). Draft e-mail to C. Yi-Medina regarding PR transcripts for bond forms (.20). Draft bond forms for BBB, CCC, DDD, EEE and revise bond forms for ZZ, proofread and review all bond forms (2.00). Draft e-mail to A. Valencia and A. Gordon (.10).
05/23/19	A. Gordon	5.30	Discuss project with A. Valencia and V. Wong (.2). Review bond chart (.3). Prepare bond forms accordingly (4.8).
05/24/19	A. Valencia	9.60	Prepare bond forms for PREPA.
05/24/19	V. Wong	2.70	Phone call with working group (.30). Phone calls with A. Valencia (.20). Phone call with A. Valencia, A. Gordon and K. Ng (.30). Review bond forms (80). Phone call with D. Brownstein (.10). Phone call with Proskauer to discuss fuel line of credit (.30). Review Scotia documents (.50). Correspond with M. DiConza (.10). Correspond with DTC (.10).

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05/24/19	K. Ng	6.10	Review V. Wong and A. Valencia e-mails regarding CUSIPs and bond forms (.30). Telephone conference with A. Valencia, V. Wong, A. Gordon regarding bond form logistics (.30). Create specimen bond forms for BBB, CCC, DDD, EEE, proofread and review all bond forms (3.10). Draft e-mails to A. Valencia and A. Gordon (.20). Review original bond forms for 2007WW, 2016E, 2016D, 2016C, 2016B4, 2016B3 against draft bond forms with new CUSIPs (1.30). Revise bond forms, proofread and review (.70). Draft e-mails to A. Valencia (.10). Review A. Valencia e-mails to DTC (.10).
05/24/19	A. Gordon	6.40	Review updated CUSIP chart and check bond forms (1.2). Call with A. Valencia, K. Ng and V. Wong to discuss project status (.20). Compile bond forms (.40). Review bond forms against original specimen (2.2). Call with K. Ng. Review further revised CUSIP spreadsheet (2.2). Circulate drafts to A. Valencia for review (.20).
05/25/19	A. Valencia	2.40	Review and finalize bond forms.
05/25/19	K. Ng	0.20	Review A. Valencia e-mails regarding status of bond forms (.10). Review A. Valencia e-mails to DTC and bond forms (.10).
05/25/19	A. Gordon	0.40	Update Series 2016A-3 Bond Form.
05/26/19	A. Valencia	2.30	Review and finalize PREPA bond forms.
05/26/19	K. Ng	0.30	Review A. Valencia e-mails to DTC and bond forms.
05/27/19	M. Rapaport	0.50	Review e-mail regarding Q&M contract.
05/27/19	K. Ng	0.20	Review e-mail regarding comment to DDD bond forms (.10). Draft e-mail to DTC (.10).
05/28/19	A. Valencia	0.20	Review comments to PREPA bond forms (.10). Telephone conference with S. Segal regarding bond forms (.10).
05/28/19	V. Wong	0.80	Phone call with DTC, D. Brownstein and R. Stevens to discuss status (.60). Phone call with A. Valencia (.20).
05/28/19	K. Ng	0.10	Meeting with A. Gordon regarding preparing to draft bond forms with par amounts.
05/29/19	K. Ng	0.10	Review DTC comment to bond form, revise and proofread bond form. Draft e-mail to DTC.
05/29/19	A. Gordon	0.10	Attend e-mail with respect to Series WW Bond.
05/30/19	A. Valencia	0.40	Telephone conferences with J. Castiglioni regarding PREPA bond forms (.10). Review PREPA bond forms (.30).
05/30/19	M. Rapaport	1.60	Review management contract (1.2). E-mails to D. Brownstein (.40).
05/31/19	M. Rapaport	1.40	Conference call regarding PREPA contract (.70). Review contract (.70).

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05/31/19 V. Wong

4.10 Phone calls with DTC regarding qualifications of new CUSIPs (1.2). Phone calls with trustee and trustee's counsel (1.1). Phone calls with R. Stevens (.2). Phone call with D. Brownstein (.2). Phone call with S. Uhland (.2). Conference call with DTC, trustee and trustee's counsel (.7). Phone call with N. Mitchell (.3). Phone calls with A. Caton and S. Segal (.2).

TOTAL HOURS: 150.20

TOTAL FEES: \$139,308.00

TOTAL FOR STATEMENT: **\$139,308.00**

Estimated Hearing Date: March, 2020 at 9:30 a.m. or an earlier date ordered by the Court (Atlantic Standard Time)

Objection Deadline: January 2, 2020 at 4:00 p.m. (Atlantic Standard Time)

Exhibit B

ATTORNEY CERTIFICATION

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**CERTIFICATION OF MITCHELL RAPAPORT PURSUANT TO PUERTO RICO
LOCAL BANKRUPTCY RULE 2016-1(a)(4)**

Mitchell Rapaport, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of Nixon Peabody LLP (“Nixon”).
2. I make this certification in accordance with Rule 2016-1(a)(4) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”) regarding the contents of applications for compensation and expenses.
3. I am familiar with the work performed by Nixon for the Financial Oversight and

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Estimated Hearing Date: March, 2020 at 9:30 a.m. or an earlier date ordered by the Court (Atlantic Standard Time)
Objection Deadline: January 2, 2020 at 4:00 p.m. (Atlantic Standard Time)

Management Board for Puerto Rico (the “Oversight Board”), acting for or on behalf of the Puerto Rico Electric Power Authority (“PREPA”).

4. I have read the *First Interim Application of Nixon Peabody LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Special Counsel to the Financial Oversight and Management Board for Puerto Rico, as representative of the Puerto Rico Electric Power Authority, for the Period from February 1, 2019 through May 31, 2019* (the “Application”), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

5. To the best of my knowledge, information, and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application are permissible under the Fee Examiner Guidelines, PROMESA, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Interim Compensation Order, the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013* (the “Guidelines”), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico.

6. I hereby certify that no public servant of the Puerto Rico Department of Treasury is a party to or has any interest in the gains or benefits derived from the contract that is the basis of this invoice. The only consideration for providing services under the contract is the payment agreed upon with the authorized representatives of the Oversight Board. The amount of this invoice is reasonable. The services were rendered and the corresponding payment has not been made. To

Estimated Hearing Date: March, 2020 at 9:30 a.m. or an earlier date ordered by the Court (Atlantic Standard Time)

Objection Deadline: January 2, 2020 at 4:00 p.m. (Atlantic Standard Time)

the best of my knowledge, Nixon does not have any debts owed to the Government of Puerto Rico or its instrumentalities.

Dated: December 11, 2019

/s/ Mitchell Rapaport

Mitchell Rapaport

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

Case No. 17 BK 3283-LTS
(Jointly Administered)

**ORDER APPROVING THE FIRST INTERIM FEE APPLICATION OF NIXON
PEABODY LLP FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS SPECIAL COUNSEL TO THE
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, AS
REPRESENTATIVE OF THE PUERTO RICO ELECTRIC POWER AUTHORITY, FOR
THE PERIOD FROM FEBRUARY 1, 2019 THROUGH MAY 31, 2019**

Upon the application (the “Application”)² of Nixon Peabody LLP (“Nixon”), as attorneys for the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) acting as representative of the Debtors under Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),³ seeking, pursuant to (a) Sections 316 and 317 of PROMESA, (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure, (c) Local Rule 2016-1,

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized terms not defined in this order will have the meanings ascribed to them in the Application.

³ PROMESA has been codified in 48 U.S.C. §§ 2101-2241.

Estimated Hearing Date: March, 2020 at 9:30 a.m. or an earlier date ordered by the Court (Atlantic Standard Time)
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(d) the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* issued by the Executive Office for the United States Trustee, 28 CFR Part 58, Appendix B, and (e) this Court's *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (Dkt. No. 3269), an allowance of interim compensation for professional services rendered for the period commencing February 1, 2019 through and including May 31, 2019 in the amount of \$371,931.00; and, this Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED** that:

1. The Application is APPROVED as set forth herein.
2. Compensation to Nixon for professional services rendered during the Compensation Period is allowed on an interim basis in the amount of \$371,931.00.
3. The Debtor is authorized to pay Nixon all fees and expenses allowed pursuant to this Order, including those that were previously held back pursuant to the Interim Compensation Order, less any amounts previously paid for such fees and expenses under the terms of the Interim Compensation Order.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

Dated: _____, 20_____
San Juan, Puerto Rico

Honorable Laura Taylor Swain
United States District Judge